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TOURISM IN AUSTRALIA

This article has been contributed by the Department of Sport, Recreation and Tourism.

INTRODUCTION

Australia is a country rich in tourism resources. However it is only in recent times that the full potential of these resources has been realised by Government, industry and the public.

ECONOMIC AND SOCIAL IMPORTANCE OF TOURISM

The contribution of the tourism industry to economic growth and employment is now being recognised although, in international terms, Australia still lags well behind in tourism receipts. In 1982, Australia's relative share of the market represented only 1.4 per cent of the OECD total, placing Australia on a par with countries such as Sweden and Portugal but eight to ten times below the level of the United States, Italy or France.

A 1981-82 survey on the economic significance of tourism by the Bureau of Industry Economics (BIE), showed that tourism makes a considerable contribution to both national income and employment and warranted more recognition as a growth industry. The BIE study estimated that tourism contributes 4.8 per cent to Australia's Gross Domestic Product (GDP) and is responsible for employing 340,000 people or 5.2 per cent of the workforce. By way of comparison, tourism's contribution to GDP and employment is equivalent to the combined textile, clothing and motor vehicle industries.

During the 12-month period of the survey, it was estimated that the total gross expenditure by both domestic and international tourists in Australia was \$12.7 billion. After deducting transfers, imports and indirect taxes, the expenditure amounted to \$7 billion, 15 per cent of which was due to international visitor expenditure. The BIE report also estimates that on average \$1 million of international visitor expenditure creates, directly or indirectly, 34 jobs.

Some insights are provided by the BIE report into characteristics of employment in the tourism industry. Most of the expenditure generated by tourism, for example, is channelled into industries with a high degree of labour intensity. These include the restaurant and catering trade, hotels and motels, transport and storage, and retail trading. Tourism also makes a major contribution to the provision of employment opportunities for some disadvantaged groups. While women hold only 36.7 per cent of jobs in the workforce as a whole, they hold 40.3 per cent of jobs in the tourism

industry. There is also a notable level of unskilled and semi-skilled employment in the industry. Tourism has proved to be a large supplier of part-time work (defined as less than 35 hours per week) and in particular, of short weeks consisting of 24 hours or less. The industry therefore has considerable potential for providing employment for those groups which find more conventional working hours unsuitable.

During the period of the BEI's survey, Australians undertook 52.3 million trips of one night or more away from home in Australia. The average expenditure per trip was estimated as \$156 per person. In addition, there were a further estimated 89 million day trips taken with an average expenditure per person per trip of \$20. At the same time, estimates by the Australian Tourist Commission indicate that 936,700 foreign visitors arrived in Australia and spent an average \$1,121 per person per trip. The average duration of these trips was 31 days.

Since the BIE's survey the levels of both domestic and international travel have increased. For the twelve months ended December 1983, a total of 54 million domestic trips were recorded while international visitors for the year totalled 943,900. The number of Australian residents departing for overseas trips in the same period was 1.25 million with an average expenditure of \$1360 per trip.

The largest share of visitors to Australia has traditionally been from its closest neighbour, New Zealand. Currently, visitors from New Zealand account for around one quarter of all arrivals; other major markets include the United Kingdom and Ireland, the United States, Japan, Central Europe and the Asian region.

Both the large number of departures from Australia and the fact that Australians on average spend more on overseas trips than inbound tourists, account for the negative tourism balance of payment. Recent trends, however, indicate that the gap between travel credit and debit is narrowing.

ALLOCATION OF TOURISM RESPONSIBILITIES WITHIN THE PUBLIC SECTOR

The Department of Sport, Recreation and Tourism was created in March 1983 in recognition of the importance of tourism to the Australian economy and the role of Government in providing support to the Australian Tourist Commission and the industry. In broad terms the Commonwealth Government is responsible for international aspects of tourism development and the formulation and implementation of relevant national policies. The State and Territory governments, in conjunction with local governments, bear responsibility for the provision of public infrastructure and facilities, and other more specific, localised services and regulations. Certain responsibilities with broad implications or significance are shared between Federal, State and Territory governments.

ROLE OF THE COMMONWEALTH GOVERNMENT

The Federal Government's stated objectives are to formulate a long-term national policy on tourism in co-operation with the States and Territories as well as the tourist industry. Also to encourage State and Territory governments to assume major responsibility for the promotion of tourism within Australia.

Specific mechanisms exist to achieve these objectives through consultation and liaison. These include the following:

- The Tourist Ministers' Council (TMC), which was established in 1959 and comprises the

Commonwealth, State and Territory Ministers responsible for tourism.

- The Australian Standing Committee on Tourism (ASCOT) which comprises representation from the Department of Sport, Recreation and Tourism, the Australian Tourist Commission and the State and Territory Directors of Tourism or their equivalent. The Tourism Research Committee (TRC), which undertakes research as directed by ASCOT, comprises research officers from the Department of Sport, Recreation and Tourism, Australian Tourist Commission and the State and Territory authorities responsible for tourism.
- The Tourism Advisory Council (TAC) which is chaired by the Minister for Sport, Recreation and Tourism and includes senior representatives from the tourism industry and trade unions: and ·
- The National Tourism Industry Training Committee (NTITC), a tripartite body of representatives from industry, union and government, concerned with promoting, developing and co-ordinating training in tourism.

The Department is also responsible for Australia's bilateral and multilateral tourism relations and maintains a high international tourism profile through Australia's membership of the following:

- The World Tourism Organisation (WTO) - an executing agency of the United Nations Development Program (UNDP). Australia is Chairman of WTO's Regional Commission for East Asia and the Pacific (CAP).
- The Tourism Committee of the Organisation for Economic Co-operation and Development (OECD).
- The Economic and Social Commission for Asia and the Pacific (ESCAP). Australia hosted the 13th Meeting of WTO/CAP in Canberra on 11 and 12 October 1984. The meeting was preceded by a two day seminar on 'Development of Human Resources to Meet Tourism Training Needs'. This topic was of special relevance to the Asia-Pacific area, given prevailing high tourism growth and increasing awareness of the importance of tourism in countries' economies.

NATIONAL TOURISM AWARDS

As a way of heightening awareness of the Australian tourism product and to encourage excellence in the industry, the Department inaugurated an annual series of National Tourism Awards. These awards were presented on 26 September 1984, the eve of World Tourism Day. Major winners were Paul Hogan for his part in tourism promotion activities and Alan Bond for the awareness of Australia created by the Americas' Cup victory.

AUSTRALIAN TOURIST COMMISSION ACTIVITIES

The Australian Tourist Commission (ATC) plays a crucial role as Australia's national tourism promotion agency. The Commission has received a budget increase of 128 per cent from 1983-84 to 1984-85 to take advantage of a heightened awareness of Australia as a holiday option both by Australians and overseas tourists.

Major initiatives which the ATC's increased funding in 1983-84 made possible included:

- Enhanced awareness advertising in several markets, and in particular on the west coast of the United States where television commercials generated over 70,000 phone responses from consumers requesting further information.

- The successful west coast campaign has been extended to the east coast where interest is running high following the much publicised campaign launch by the ATC and Paul Hogan in September 1984 at the New York Yacht Club.
- Expanded overseas representation.
- Australian Bandwagon (mobile display van) introduced in Japan and Europe.

The ATC launched a major domestic tourism campaign in March 1984. This national marketing campaign, in conjunction with the States, Territories and Industry, included intensive television advertising and the production of 2 million copies of an 'Australian Made Holidays' booklet distributed through the written media and the travel trade generally.

THE TOURISM INDUSTRY

The tourism industry incorporates a wide range of activities, these include the transport, accommodation, food and hospitality sectors, as well as many other sectors. Details of the major components, transport and accommodation are shown below.

Transport

Government initiatives in this vital area are summarised below:

- Airport development

Major airport upgrading projects estimated to cost \$33 million have been approved in the 1984-85 Budget for future Townsville terminal area redevelopment, construction of additional taxiways at Sydney airport and Canberra airport facility improvements.

In addition to these new civil works, major projects already underway include Brisbane airport redevelopment, Perth airport new international terminal and Darwin airport redevelopment work. These projects will expect to take total expenditure on related airport development to \$111 million in 1984-85.

Cairns international airport was opened on 31 March 1984 accompanied by a special promotional fare for inaugural Qantas flights between Cairns and the United States west coast.

- Air Routes

A number of new international air routes were established during 1983. They include Brunei-Darwin, Brisbane-Noumea, Melbourne-Noumea. Adelaide-London and Melbourne/Sydney-Manchester.

- Airfares

In February 1984 the Independent Airfares Committee (IAFC), which has the authority to approve domestic airfares, approved new touring airfares for international visitors to Australia for the two major domestic airlines. A similar fare structure for domestic tourists was approved in March 1984.

- Roads

More than 80 per cent of domestic tourist trips occur by private motor vehicle, bus or coach. The 1984-85 Federal Budget provided \$1,245 million to the States and Northern Territory for highway

upgrading projects.

- Bass Strait ferry

A replacement vessel for the Bass Strait ferry service between Melbourne and Devonport is to be introduced in March 1985. The new vessel and associated terminal works, to the value of \$26 million, will substantially boost the passenger and vehicle capacity of this service.

Accommodation

The accommodation sector is also a key component of the tourism industry. In June 1984 tourist accommodation establishments employed 70,954 people, an increase of 5.5 per cent on the same quarter in 1983.

The value of proposed tourist related developments as at the end of the June quarter 1984 was \$7,066 million including 16 new international hotels. Tourist accommodation and tourist resort projects commenced during the June quarter are valued at \$171 million, and will provide 2560 rooms or units. These include the Intercontinental in Sydney (545 rooms), the Menzies (250) and Hyatt (480) in Melbourne, the Orchard (200) in Perth, the Beaufort (250) in Darwin and the Paradise Centre (406) and Jupiter's Casino (622) on the Gold Coast.

A similar upsurge of construction activity is occurring in the man-made tourist attractions sector. Figures provided by State and Territory Government departments indicate that as at 30 June 1984 new tourist attractions to the value of \$175 million were firmly committed throughout Australia.

Tourism - A growing industry

As a country Australia offers a variety of tourism experiences. Its natural features of tropical forests, mountain ranges and beaches provide a sharp contrast to the isolated outback, desert regions and attractions of historical nature.

In the wider context the Australian Tourism Industry has been identified by all Australian governments as a growth area, offering attractive opportunities for investment in tourism development projects.

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